

Report and Financial Statements

Axon Group Limited

For the year ended 31 December 2024

Registered number: 03419641

Axon Group Limited

Company Information

Directors	Mr. Shiv Kumar Walia Mr. Goutam Rungta Mr. Raghu Raman Lakshmanan
Registered number	03419641
Registered office	6 th Floor 70 Gracechurch Street London EC3V 0XL United Kingdom
Independent auditor	KNAV Limited Hygeia Building, Ground floor 66-68 College Road Harrow, Middlesex HA1 1BE, United Kingdom
Banker	Deutsche Bank London Branch Winchester House 1 Great Winchester Street London EC2N 2DB

Axon Group Limited

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Axon Group Limited

Strategic report

For the year ended 31 December 2024

Introduction

The directors present their Strategic Report for the year ended 31 December 2024.

Principal activities

The Company's principal activity is to act as a holding company for the investment in the shares of companies providing services associated with IT and business services, engineering and Research & Development (R&D) services and services related to HCL software.

Review of business

The results of the Company and its key performance indicators (KPI's) are as follows:

	31 December 2024 £000	31 December 2023 £000
Carrying value of investments	<u>190,959</u>	<u>190,959</u>

The directors have considered the carrying value of the investments and consider them to be recoverable in full. The Company has received £177,000k as dividend during this year (31 December 2023 - £3,210k).

As at 31 December 2024, the Company has net assets of £188,532k (31 December 2023: £192,052k). Shareholder's funds have decreased due to reduction in retained earnings on account of dividend payment made of £180,402k during the year ended 31 December 2024.

There are no non-financial KPI's that management monitor.

Future developments

The Company is an investment entity and plans to invest further in its existing subsidiaries as and when required.

Principal risks and uncertainties

Besides investments, the Company principally engages in short term financial instruments and mitigates exposure to the associated risks of these instruments in connection with support from the ultimate parent company and other entities within the wider group, it is member of. The Company also closely monitors the results of its investments to determine whether the carrying values are appropriate.

Financial instruments

The Company's operations expose it to a variety of financial risks such as foreign exchange risk, liquidity risk and investment impairment risk. The Company has adequate controls in place that seek to minimize the adverse effects of these financial risks on the Company's financial performance:

Axon Group Limited

Strategic report (continued)

For the year ended 31 December 2024

Financial instruments (continued)

1. Foreign exchange rate risk

Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. Ultimate holding company enters into hedging contracts to minimize risk at overall group level.

As per ultimate holding company's risk management policy, hedges are predominately taken by ultimate parent company to hedge foreign currency risk. In certain cases, to address specific risks, hedges may be taken at subsidiary level. However, this company does not undertake any hedges.

2. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term bank deposits. The Directors do not see any significant liquidity risk involved. The Company also has an overdraft facility from its banker which can be used as and when required.

Cash flow performance is monitored on an ongoing basis by the board.

The Company has transactions with related parties during the year and also carries material balances to related parties. Exposure to liquidity risk is managed by principally transacting with other wholly owned related parties under central group treasury management.

3. Investment impairment risk

The most significant financial instrument held by the Company is its investments in subsidiaries and other investments. The directors understanding of the risks associated with the investments held by the entity relate to the potential impairment of those investments. To identify any risk of impairment in a timely manner, the Company reviews the financial performance of its investments on a regular basis. To date, all investments have had a strong year and are not exhibiting indicators of impairment. This is expected to continue for the foreseeable future.

Section 172(1) Statement

The Board of Directors determines the purpose and values of the Company. The primary role of the Board is that of trusteeship, to protect and enhance stakeholders' value through the strategic supervision of the Company, its subsidiaries and other investments.

The Company is controlled by the Board that exercises leadership, integrity and judgments, to achieve continuing prosperity and to act in the best interest of the Company. The Board plays a critical role of supervising the approach of the management who serves to achieve the short/long term interests of the shareholder and other stakeholders. The Board ensures that the Company complies with all relevant laws, regulations, governance practices, accounting, and auditing standards. It identifies key risk areas and key performance indicators of the Company's business and constantly monitors these factors.

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction, and performance of the Company and has been vested with the requisite powers, authorities, and duties.

Axon Group Limited

Strategic report (continued)

For the year ended 31 December 2024

Section 172(1) Statement (continued)

Directors' Responsibilities

The directors have an obligation to remain informed about the Company and its business, including the principal operational and financial objectives, strategies and plans of the Company, relative standing of the business segments within the Company and vis-a-vis the competitors of the Company, factors that determine the Company's success, results of operations and financial condition of the Company and its subsidiaries and business segments.

Board Decisions

The Board reviews the financial performance of the Company, approves annual accounts and other important items that require consideration and approval by the Board. The Company either through the Board meeting(s) or via written resolution(s) ensures that every director is involved in the decision making for these matters.

The agenda, for the meeting is circulated to Directors of the Company in advance. The long-term consequences of each decision are also taken into consideration while approving such agenda items by the Board.

Further, the Board acts in a way they consider would most likely be in the best interest of the Company considering the requirements of all stakeholders. The Directors aim to build positive relationships with stakeholders to help deliver long-term sustainable success of the Company.

The Board have the full support of the ultimate parent company viz. HCL Technologies Limited in developing the Company for the benefit of all stakeholders.

Further the engagement with other stakeholders is given below:

Employees

There are no employees in this entity.

Suppliers/ Service Providers

The Board recognizes the benefits of engaging with the suppliers/service providers and it endeavors to maintain constructive relationship with them. The Company's governance policies promote open communication and engagement with stakeholders, including suppliers and communities.

Customers

There are no customers in this company since this is an investment company.

Communities and the environment

Engagement with local communities is important to the Company's regional presence. Steps are taken to ensure that the Company is responsible for its own actions.

Axon Group Limited

Strategic report (continued)

For the year ended 31 December 2024

Section 172(1) Statement (continued)

One of humanity's greatest challenges is climate change. It is also one of the biggest long-term threats for any business. As an environmentally responsible Company, we recognize our significant role in contributing to global environmental sustainability.

The ultimate parent company viz. HCL Technologies Limited ("HCLTech") conducts a climate related risk assessment every 3 years and have not identified any material climate related risk for our UK operation. HCLTech has implemented impactful 'Go Green' initiatives to protect the environment and embrace its responsibility for water and energy conservation.

HCLTech has outlined its corporate strategy to reduce HCLTech's greenhouse gas (GHG) emissions by half by FY30 compared to our baseline year of FY20 and achieve net zero emissions by 2040.

Detailed information on the above is available in the Sustainability Report of HCLTech. Link to the same is given below:

<https://www.hcltech.com/sustainability/sustainability-report-2024>

Government and regulators

The Board is committed to maintain the highest standards of ethics and compliance.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Board adheres to the corporate governance code implemented at the ultimate parent company level viz. HCL Technologies Limited.

The need to act fairly as between members of the Company

The Company is wholly owned subsidiary of HCL EAS Limited. The shareholder is regularly informed about performance, developments, and various initiatives taken by the Company.

This report was approved by the board of directors on 30 April 2025 and signed on its behalf.



Shiv Kumar Walia
Director



Goutam Rungta
Director

Axon Group Limited

Directors' report

For the year ended 31 December 2024

The directors present their report and the financial statements for the year ended 31 December 2024.

Results and dividends

Profit for the year, after taxation, amounted to £176,882k (31 December 2023 - £9,196k).

The Company has not made any political and charitable contributions during the year.

Dividend paid during the year, amounted to £180,402k (31 December 2023 - £10,851k).

Directors

The directors who served during the year and to the date of approving these financial statements were:

Mr. Shiv Kumar Walia

Mr. Goutam Rungta

Mr. Raghu Raman Lakshmanan

Future developments

Details of future developments are provided in the strategic report.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have made an assessment of future cash flows for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Financial instruments

Details of financial instruments are provided in the strategic report.

Statement of engagement with employees

The Company has no employees given it is an investment company.

Statement of engagement with suppliers, customers and others in a business relationship with the company

Please refer to Section 172(1) statement in the Strategic report on pages 2, 3 & 4.

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

The Company is a low energy user (consumption below 40,000 Kwh) and hence is exempt from reporting.

Axon Group Limited

Directors' report (continued)

For the year ended 31 December 2024

Disclosure of information to auditor

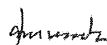
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of Auditor

The Auditor, KNAV Limited are deemed to be reappointed under sec 487(2) of Companies Act 2006.

This report was approved by the board of directors on 30 April 2025 and signed on its behalf.



Shiv Kumar Walia
Director



Goutam Kungta
Director

Axon Group Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

For the year ended 31 December 2024

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Axon Group Limited

Opinion

We have audited the financial statements of Axon Group Limited (the 'Company') for the year ended 31 December 2024, which comprise the Statement of profit and loss and other comprehensive income, Statement of financial position, Statement of changes in equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report, the Directors' Report and the Statement of Directors' Responsibilities, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Axon Group Limited

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Axon Group Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit is capable of detecting irregularities, including fraud is detailed below:

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud and error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. The primary responsibility for prevention and detection of fraud rests with both those charged with governance of the entity and management.

Based on our understanding of the Company and the industry, discussions with the management, we identified Companies Act 2006, Financial Reporting Standard 102 and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any area with an increased risk of fraud. Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with the laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the minutes of the meetings conducted by the Board of Directors;
- enquiry of management of legal matters during the year and use of legal firms thereof;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to verify unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

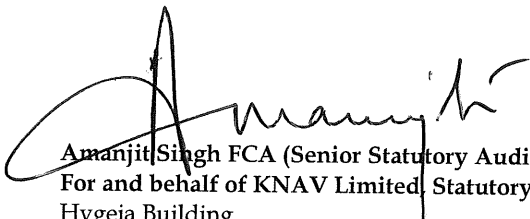
The potential effects of inherent limitations are particularly significant in case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Axon Group Limited

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Amanjit Singh FCA (Senior Statutory Auditor)
For and behalf of KNAV Limited, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex

HAI IBE
Date: 30th April 2025
UAC: 2025-28-UK

Axon Group Limited

Statement of profit and loss and other comprehensive income

For the year ended 31 December 2024

		Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Administrative expenses		(262)	(288)
Other operating income		35	489
Operating (loss)/profit	4	<u>(227)</u>	<u>201</u>
Income from shares in group companies	7	177,000	3,210
Profit on sale of investment in subsidiary		-	6,053
Interest receivable and similar income	8	106	55
Interest payable and similar charges	9	<u>(3)</u>	<u>(3)</u>
Profit before tax		<u>176,876</u>	<u>9,516</u>
Tax credit/(charge)	10	<u>6</u>	<u>(320)</u>
Profit for the year		<u>176,882</u>	<u>9,196</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>176,882</u></u>	<u><u>9,196</u></u>

The notes on pages 15 to 23 form part of these financial statements.

All amounts relate to continuing operations.

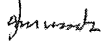
Axon Group Limited
Registered number: 03419641

Statement of financial position

As at 31 December 2024

	Note	31 December 2024 £000	31 December 2023 £000
Fixed assets			
Investments	11	<u>190,959</u>	<u>190,959</u>
Current assets			
Debtors: amounts falling due within one year	12	-	22
Cash at bank	13	<u>444</u>	<u>3,883</u>
		444	3,905
Creditors: amounts falling within one year	14	<u>(45)</u>	<u>(186)</u>
Net current assets		<u>399</u>	<u>3,719</u>
Total asset less current liabilities		<u>191,358</u>	<u>194,678</u>
Creditors: amounts falling due after more than one year	15	<u>(2,826)</u>	<u>(2,626)</u>
Net assets		<u><u>188,532</u></u>	<u><u>192,052</u></u>
Capital and reserves			
Called up share capital	16	678	678
Share premium account	17	43,767	43,767
Other reserve	17	23,720	23,720
Capital reserve	17	101,654	101,654
Retained earnings		18,713	22,233
Shareholder's funds		<u><u>188,532</u></u>	<u><u>192,052</u></u>

The financial statements were approved and authorized for issue by the board of directors on and were signed on its behalf on 30 April 2025.


Shiv Kumar Walia
Director


Goutam Rungta
Director

The notes on pages 15 to 23 form part of these financial statements

Statement of changes in equity

For the year ended 31 December 2024

	Share capital £000	Share premium £000	Capital reserve £000	Other Reserve £000	Retained earnings £000	Total Equity £000
At 1 January 2023	678	43,767	101,654	23,720	23,888	193,707
Profit for the year	-	-	-	-	9,196	9,196
Total comprehensive income for the year	-	-	-	-	9,196	9,196
Contributions by and distribution to owners						
Dividends: Equity capital	-	-	-	-	(10,851)	(10,851)
At 31 December 2023	<u>678</u>	<u>43,767</u>	<u>101,654</u>	<u>23,720</u>	<u>22,233</u>	<u>192,052</u>
At 1 January 2024	678	43,767	101,654	23,720	22,233	192,052
Profit for the year	-	-	-	-	176,882	176,882
Total comprehensive income for the year	-	-	-	-	176,882	176,882
Contributions by and distribution to owners						
Dividends: Equity capital	-	-	-	-	(180,402)	(180,402)
At 31 December 2024	<u>678</u>	<u>43,767</u>	<u>101,654</u>	<u>23,720</u>	<u>18,713</u>	<u>188,532</u>

The notes on pages 15 to 23 form part of these financial statements.

Axon Group Limited

Notes to the financial statements

For the year ended 31 December 2024

1. Company information

Axon Group Limited is a private company, limited by shares, incorporated in England. The registered office is 6th Floor, 70, Gracechurch Street, London, EC3V 0XL, United Kingdom.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and Companies Act 2006 under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The functional and presentational currency of the Company is Pound Sterling (£). The financial statements are presented in pound thousands.

The financial statements contain information about Axon Group Limited as an individual company and are not consolidated financial statements. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiary undertakings are included in the group financial statements of its ultimate parent company, HCL Technologies Limited, a company incorporated in India, which are publicly available on Company's website <https://www.hcltech.com>.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 11 Basic of Financial Instruments.

This information will be included in the consolidated financial statements of its ultimate parent, HCL Technologies Limited and these financial statements could be obtained from the Companies registry in India or will be available at Company's website on <https://www.hcltech.com>.

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have made an assessment of future cash flows for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.3 Going concern (continued)

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Impairment of investments

At each reporting date, investments are reviewed to determine whether there is any indication that investment have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount is estimated and compared with its carrying amount. If the estimated recoverable amount (higher of fair value less cost to sell and value in use) is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of profit and loss and other comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit and loss and other comprehensive income.

2.6 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like cash, trade and other accounts receivable and payable, and investments.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement profit and loss and other comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Short term debtors are measured at transaction price, less any impairment.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.7 Foreign currency translation

The financial statements of the Company are presented in Pound Sterling (£).

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Transaction gains or losses realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.8 Finance costs

Finance costs are charged to the Statement of profit and loss and other comprehensive income as and when incurred.

2.9 Interest income

Interest income is recognised in the Statement of profit and loss and other comprehensive income as and when received.

2.10 Current and deferred taxation

Tax is recognised in the Statement of profit and loss and other comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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Notes to the financial statements

For the year ended 31 December 2024

2. Accounting policies (continued)

2.10 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Dividend income

Dividend income is recognised when the entity's right to receive payment is established.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, costs and expenses that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are used as follows:

Provisions against impairment of investments

Using information available at the balance sheet date, the Directors make assumptions on any indication that those investments have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If the estimated net worth amount is lower, the carrying amount is reduced to its estimated net worth amount.

Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

No impairment was recorded in the current or prior year.

4. Operating (loss)/profit

The operating (loss)/profit is derived after charging /(crediting):

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Fees payable to the Company's auditor for the audit of the Company's financial statements	9	11
Exchange gain	<u>(35)</u>	<u>(489)</u>

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Notes to the financial statements

For the year ended 31 December 2024

5. Employees

The Company has no employees.

6. Directors' remuneration

In addition to being directors of the Company, the directors hold roles in the wider HCL group outside of the UK. Furthermore, all the HCL entities in the UK are viewed as one business unit and it is impracticable to identify accurately remuneration they receive for services to each entity separately. Therefore, directors' remuneration disclosure has not been included in these financial statements. Full remuneration of the directors is disclosed in the financial statements of HCL Technologies UK Limited, HCL America Inc and HCL Technologies Limited which are the companies that pay remuneration and their financial statements are publicly available on the website of its ultimate parent company, "HCL Technologies Limited".

The Company has no key management personnel other than the directors.

7. Income from shares in group companies

The Company received dividend income of £177,000k from Axon Solutions Limited, a subsidiary undertaking during the year. In the previous year, the Company has received dividend income of £3,210k from Anzospan Investment (PTY) Limited, a subsidiary undertaking.

8. Interest receivable and similar income

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Interest income on current account	106	55
	<u>106</u>	<u>55</u>

9. Interest payable and similar charges

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Bank charges	3	3
	<u>3</u>	<u>3</u>

10. Tax on profit

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
<u>Corporation tax</u>		
Current tax on profit for the year	30	126
Adjustment in respect of previous periods	(36)	33
Others	-	161
Total current tax (credit)/charge	<u>(6)</u>	<u>320</u>

Notes to the financial statements

For the year ended 31 December 2024

10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is at the standard rate of corporation tax in the UK of 25% (Dec 2023 - 25%). The differences are explained below:

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Profit before tax	176,876	9,516
Profit multiplied by standard rate of corporation tax in the UK of 25% (Dec 2023 -25%)	44,219	2,379
Effects of non-deductible items for tax purposes:		
Non- taxable income*	(44,250)	(2,316)
Non deductible expenses	61	63
Others	-	161
True up previous years	(36)	33
Total tax (credit)/charge for the year	(6)	320

* Non- taxable income includes dividend income from group companies and profit on sale of investment in subsidiary.

11. Investments

	31 December 2024 £000	31 December 2023 £000
Cost at 1 January	190,959	191,037
Disposal	-	(78)
	190,959	190,959
Net book value at 31 December	190,959	190,959

During the previous year, Company has sold its 100% holding in HCL Technologies Solutions GmbH.

Axon Group Limited

Notes to the financial statements

For the year ended 31 December 2024

11. Investments (continued)

Subsidiaries & other investments

The following are directly held subsidiary & other investments of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered Address
HCL America Inc.^	USA	Ordinary	18.52%	IT and enabled services	IT 2600 Great America Way, Suite 401, Santa Clara, CA 95054, USA
Axon Solutions Limited	England	Ordinary	100%	IT and enabled services	IT 6th Floor, 70, Gracechurch Street, London EC3V 0XL, England
HCL Axon Malaysia Sdn. Bhd.	Malaysia	Ordinary	100%	IT and enabled services	IT L5E-1B, Hive 5, Taman Teknologi Mranti Lebuhraya Puchong - Sg Besi, Bukit Jalil, 57000 Kuala Lumpur Malaysia
Anzospan Investment (PTY) Limited*	South Africa	Ordinary	70%	IT and enabled services	IT GMI House, Harlequins Office Park, 164, Toituis Street, Groenkloof, Pretoria 0027
HCL Canada Inc.^	Canada	Ordinary	0.01%	IT and enabled services	IT 7125 Mississauga Road, Mississauga ON L5N 0C2, Canada
HCL Technologies (Thailand) Limited^	Thailand	Ordinary	0.01%	IT and enabled services	IT 89, AIA Capital Center, 20/F, Room 2005-2007, Ratchadapisek Road, Kwaeng Dindaeng, Bangkok, 10400

Key:

^ Balance shares are wholly owned within HCL group.

* Balance shares are held by other than HCL group.

There is no change in percentage of holdings of subsidiary & other investments in comparison to previous year.

12. Debtors: amounts falling due within one year

	31 December 2024	31 December 2023
	£000	£000
Amounts owed by group undertakings	-	22
	-	22

Amounts owed by group undertakings were interest free, were unsecured and repayable on demand.

Axon Group Limited

Notes to the financial statements

For the year ended 31 December 2024

13. Cash and cash equivalents

	31 December 2024 £000	31 December 2023 £000
Cash at bank	444	3,883
	<u>444</u>	<u>3,883</u>

14. Creditors: amounts falling due within one year

	31 December 2024 £000	31 December 2023 £000
Corporation tax	1	126
Amounts owed to group undertakings	29	49
Accruals	15	11
	<u>45</u>	<u>186</u>

Amounts owed to group undertakings are interest free, are unsecured and are repayable on demand.

15. Creditors: amounts falling due for more than one year

	31 December 2024 £000	31 December 2023 £000
Others*	2,826	2,626
	<u>2,826</u>	<u>2,626</u>

*Anzospan Investment Pty Limited (subsidiary of Axon Group Limited) had set-up certain trusts in South Africa for the benefit under Black Economic Empowerment Scheme nationals and had given 51.84% effective ownership in its step down subsidiaries to the trusts. Cash-settled share-based payment transactions are measured initially at the fair value of the liability and are recognized as an expense. In this case there is no vesting condition and hence the underlying instrument is measured at fair value at each year end and recognized immediately at the grant date. The fair value of the subsidiary's liability to the trusts have been classified under creditors.

16. Share capital

	31 December 2024 £000	31 December 2023 £000
Allotted, called up and fully paid up 67,820,332 ordinary shares of £0.01 each	678	678
	<u>678</u>	<u>678</u>

Axon Group Limited

Notes to the financial statements

For the year ended 31 December 2024

17. Reserves

Share premium

This reserve includes all premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Other reserve

Other reserves include proceeds from share based payment transactions.

Capital reserve

The capital reserve arose in the year ended 30 June 2012, when the Company had transferred its 100% holding in Axon Solutions Inc., to HCL America Inc., under a share purchase agreement.

18. Related party transactions

The Company has taken advantage of the exemption available in section 33 of FRS 102 from disclosing transactions with related parties that are wholly owned by HCL Technologies Limited group, on the basis that 100% of the Company's voting rights are controlled within the group. No transactions have been carried out with Anzospan Investment (PTY) Limited during the year.

19. Controlling party

The immediate parent undertaking of the Company is HCL EAS Limited, a company incorporated in United Kingdom. The ultimate parent undertaking and controlling party is HCL Technologies Limited, a company registered in India.

The largest and smallest group of undertaking for which group financial results have been prepared that include the results of the Company is that headed by HCL Technologies Limited registered office at 806, Siddharth, 96, Nehru Place, New Delhi - 110019, India. The information is included in the consolidated financial statements of its ultimate parent company, HCL Technologies Limited as at 31 March 2025 and the consolidated financial statements are available to the public on the Company's website at <https://www.hcltech.com>.